

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Entergy Services, Inc.

Docket Nos. ER05-1432-005
and EL06-2-005

ORDER APPROVING UNCONTESTED PARTIAL SETTLEMENT

(Issued October 25, 2006)

1. On August 21, 2006, Entergy Services, Inc. (Entergy) filed a partial settlement agreement on behalf of itself and all other parties to resolve all but one issue in these proceedings, which concern Entergy's recovery of reactive power costs from third-party generating facilities.¹
2. On September 11, 2006 (revised September 12, 2006), Commission Trial Staff submitted comments in support of the partial settlement agreement. No other comments were filed. On September 26, 2006, the Presiding Administrative Law Judge certified the partial settlement agreement to the Commission as uncontested.
3. The partial settlement agreement is in the public interest and is hereby approved. The Commission's approval of this partial settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Commission retains the right to investigate the rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of Section 206 of the Federal Power Act.²
4. Refunds and adjustments shall be made pursuant to the settlement.

¹ The parties have agreed to defer action on a self-supply/crediting issue pending a Commission determination in *Cottonwood Energy Company, L.P.*, Docket No. ER05-483-000 (proceeding to determine whether certain Independent Generators have a contractual right to receive compensation for reactive power).

² 16 U.S.C. §824e (2000).

5. This order terminates Docket Nos. ER05-1432-005 and EL06-2-005.

By direction of the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

cc: All Parties